

Transcript Prepared By the Clerk of the Legislature
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Appropriations Committee
March 17, 2009

[LB359]

The Committee on Appropriations met at 1:30 p.m. on Tuesday, March 17, 2009, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB359. Senators present: Lavon Heidemann, Chairperson; John Harms, Vice Chairperson; Tony Fulton; Tom Hansen; Heath Mello; Danielle Nantkes; John Nelson; Jeremy Nordquist; and John Wightman. Senators absent: None.

SENATOR HEIDEMANN: I think we're going to go ahead and get started. Thanks for joining the Appropriations Committee. We're going to start with some introductions. We do have some committee members that are either probably not quite here yet or they're introducing bills someplace else, will join us later. Starting over on to the right is Senator Jeremy Nordquist from Omaha, District 7; then we have Senator Tom Hansen from North Platte, District 42; Senator Danielle Nantkes from Lincoln, District 46; joining us later will be Senator John Wightman from Lexington, District 36. The fiscal analyst at the present time is Jeanne. I am Senator Lavon Heidemann, District 1. Senator John Harms is to my left; then Senator John Nelson, who will be introducing a bill shortly, from Omaha, District 6; then Senator Tony Fulton from Lincoln, District 29; also Senator Heath Mello from Omaha, District 5. Anne Fargen is our committee clerk, and the pages for today are Andy and Stephen. At this time, we would like to remind you, if you have cell phones, to please shut them off or put them on silent or vibrate as not to disrupt us later on. Testifier sheets are on the table or near the back doors. We ask that you please fill them out completely and put them in a box on the table when you testify. You do not have to fill out this form if you aren't publicly testifying. At the beginning of your testimony, we ask that you please state and spell your name. Nontestifier sheets are near the back doors if you do not want to testify but would like to record your support or opposition. You only need to fill this out if you will not be publicly testifying. If you have printed materials to distribute, please give them to the page at the beginning of the testimony. We need 12 copies. We also ask you, in the matter of time, that you please keep your testimony precise and on topic, under five minutes would be appreciated. With that, we will start today with LB359. Senator Nelson.

SENATOR NELSON: (Exhibit 1) Thank you, Chairman Heidemann and members of the Appropriations Committee. For the record, my name is John Nelson, spelled N-e-l-s-o-n. I am the state senator representing District 6 in midtown Omaha, and I am here today to introduce LB359. LB359 makes technical changes to the Cultural Preservation Endowment Fund. In 2008, through LB1165, the Nebraska Legislature appropriated \$5 million over a three-year period to the Cultural Preservation Endowment Fund. In order to receive the appropriated funds, the Nebraska Arts Council must generate a dollar-for-dollar match of new money, but the Cultural Preservation Endowment Fund will only receive the matching dollars if the Arts Council raises enough money to match the full amount of money appropriated per year. The green copy of LB359 would allow the Cultural Preservation Endowment Fund to receive a dollar-for-dollar match for the

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amount actually raised even if the Arts Council does not raise the full amount authorized by the State Legislature's match or appropriation. An amendment has been drafted which would change the amount of money appropriated annually. In the amendment, the Cultural Preservation Endowment Fund would have an opportunity to receive up to \$1 million annually over a four-year period instead of the \$2 million annually over a two-year period. In light of the economic downturn, these changes more effectively and efficiently manage the money that the Legislature appropriated in 2008. I encourage your support of LB359 and I will answer any questions that you might have at this time. [LB359]

SENATOR HEIDEMANN: Thank you, Senator Nelson. Are there any questions? How is the private fund-raising going? [LB359]

SENATOR NELSON: Well, I think the speaker after me will probably address that a little more. It's slow. It's quite slow because of the downturn in the stock market and the environment, the lack of direction perhaps or...and the concerns about putting money out with the uncertainty that we have at this present time. And that's why we have this amendment here, to stretch it out over a little longer period of time. We don't have to appropriate as much money each year if we stretch it out over four years and this gives an opportunity to match with...in a more efficient method, I think. So I think Senator Pederson will probably speak to that as well. [LB359]

SENATOR HEIDEMANN: Right. Thank you. Are there any other questions? Seeing none, thank you. [LB359]

SENATOR NELSON: Thank you very much. [LB359]

SENATOR HEIDEMANN: Welcome. [LB359]

DON PEDERSON: (Exhibit 2) Thank you. Chairman Heidemann and members of the committee, my name is Don Pederson, P-e-d-e-r-s-o-n, and I'm appearing here today in my capacity as a board member of the Nebraska Preservation Cultural Endowment. It's hard to say actually, but anyway that's why I'm here. And Senator Nelson has well spoken as to what this amendment and bill maintain and this all involves a question of change. Now there have been changes since last year when we met. And the big change is not in the need of the cultural endowment. It's even more so than it had been. But the change that we noted was the change in the general economic circumstances and it's with that in mind that we approached Senator Nelson with the idea of modifying the LB1165 bill to provide a different structure for the payment of the fund. The fund is very needed and particularly in this time of the economic concerns. But one thing that I understand is that we believe that we could raise the \$2 million this year but we think it would be a strain on our donors and...but it would be a strain on the state too. And we feel that we're partners in this venture and we wanted to present to you the idea of

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spreading this over a four-year period instead of a two-year period. We felt that would impact your budget and our fund-raising similarly, and we want to be good partners with the state. This is a partnership venture. The state pledges that it will give so many dollars to meet what we have raised by private funds. And so that's a pretty simple aspect of this thing. It's just a change in the structure of the money and when it's paid out. There was another matter that came up at the same time and that was a matter involving a question that had been brought to us by the budget office, and the budget office is in charge of disbursing the monies, and they had a question as to whether the initial law provided enough detail as to what their obligation was. And so we've modified, with Senator Nelson drafting it, a modification that provides in effect that the state of Nebraska will pay up to \$1 million based upon contributions from the cultural endowment, so that eliminates any question that they had in that connection. So, since they are the ones that are paying the bill, we thought we probably should work with them so that's why we did what we did. And essentially, I'm not going to say very much more about this bill. It's not a complicated bill. It's just mainly a question of structuring. So with that, I would be glad to answer any questions that you have. [LB359]

SENATOR HEIDEMANN: Are there any questions? Seeing none, thank you. [LB359]

DON PEDERSON: Thank you. [LB359]

SENATOR HEIDEMANN: Is anyone else wishing to testify in favor of LB359? (See also Exhibit 11) Is anyone wishing to testify in opposition of LB359? Is anybody wishing to testify in the neutral position on LB359? Seeing none, would Senator Nelson like to close? [LB359]

SENATOR NELSON: I'll waive closing. [LB359]

SENATOR HEIDEMANN: Senator Nelson waives closing. With that, we will close the public hearing on LB359 and open up the public hearing on Agency 13, the Department of Education. [LB359]

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Disposition of Bills:

LB359 - Held in committee.

Chairperson

Committee Clerk